

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
PACIFIC CONNECTIONS OF CALIFORNIA, INC.
Plaintiff,

Docket No.

-against-

WILSONS LEATHER HOLDINGS INC.,
PREVU INCORPORATED,
Defendants.

-----X

**DECLARATION OF MARTIN TERZIAN FOR ORDER TO SHOW CAUSE FOR
AN ORDER OF ATTACHMENT AND PRELIMINARY INJUNCTION**

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

Martin Terzian, declares, under penalty of perjury, as follows,

1. I am the president of plaintiff Pacific Connections of California, Inc. ("PCI") and I submit this affidavit based on my personal knowledge of the following facts.

2. In or about April 2006, PCI entered into a long-term joint venture with Wilsons the Leather Experts Inc. (now known as PreVu Incorporated) and Wilsons Leather Holdings Inc. (collectively "Wilson's") to help boost Wilson's' flagging sales by rebranding Wilson's' image.

3. PCI provided Wilsons with designs, sales and marketing advice as well as working space in our New York offices.

4. At first we worked together with Wilsons in a true partnership.

5. Both PCI and Wilson viewed the joint endeavor as the start of a truly great venture as can be shown from emails attached as **Exhibit A.**¹

6. Our trust in Wilsons and anticipation of a bright future together led us to invest large sums of money into Wilsons.

¹ The emails attached as exhibits are relevant portions of a series of emails.

7. In light of the above, we advanced money to help Wilsons with their rebranding process. As part of the rebranding process, PCI purchased \$372,143.95 of shoe racks (the “racks”) which were designed by Wilsons and placed in Wilsons’s stores across the United States, including their New York stores.

8. Emails discussing Wilsons’ involvement in ordering the racks are attached as **Exhibit B.**²

9. Receipts which evidence PCI’s payment of \$372,143.95 for the racks that were delivered to Wilsons are attached as **Exhibit C.**

10. PCI retained ownership of the racks and Wilsons was to ensure that we were compensated for our expenditure by our receipt of 5% of the sales price of PCI’s designed and/or procured products that were placed on the racks.

11. In or about September 2006, Wilsons breached several provisions of our agreement related to various facets of the PCI/Wilsons relationship. At that time Wilsons stopped placing goods on the racks, depriving PCI from receiving a 5% commission.

12. We negotiated with Wilsons, trying to repair our relationship. The parties decided to focus first on issues relating to commissions and products provided to Wilsons.

13. On or about October 19, 2006, PCI and Wilsons entered into a settlement agreement which is attached as **Exhibit D.** (the “Settlement Agreement”)

14. The Settlement Agreement settled our disputes regarding “all commissions for services performed and to be performed, and for all product received to date and all product to be received through February 3, 2007.” The Agreement also provided that “[i]n addition to the foregoing, however, Wilsons Leather will reimburse PCI for costs incurred to date in connection

² See footnote 1.

with leasehold improvements to the design center provided for Wilsons Leather's use in New York City."

15. The Agreement did not discuss the racks or in any way convey PCI's racks to Wilsons.

16. This Agreement was never intended to be the final settlement between the parties as evidenced by the e-mails attached as **Exhibit E**.³

17. Wilsons has neither returned, not compensated PCI for its racks.

18. Upon information and belief, Wilsons continued its use of PCI's racks.

19. PCI has never transferred ownership of the racks to Wilsons.

20. Various members of PCI, including myself, have repeatedly informed Wilsons that it did not give Wilsons the racks as a gift but that the racks were given to Wilsons on condition that they comply with the abovementioned agreements and understandings between PCI and Wilsons.

21. Emails informing Wilsons that we had not given them the racks are attached as **Exhibit F**.⁴

22. Wilsons did not deny that they owe PCI a debt for the racks but instead claimed that the issue was dealt with in the Settlement Agreement despite the fact that the Settlement Agreement does not mention the racks at all.

23. Wilsons' emails to us stating that they believe their debt for the racks were covered by the settlement agreement are attached as **Exhibit G**.⁵

³ See footnote 1.

⁴ See footnote 1.

⁵ See footnote 1.

24. Based on personal knowledge gained through our business relationship with Wilsons and upon Wilsons' public statements, I learned that Wilsons' financial situation is precarious and that they are likely to declare bankruptcy in the near future.

25. In addition to using our racks, in early 2008 Wilsons sold off approximately 150 of our racks during its liquidation of the stores in which they were installed.

26. Recently, Wilsons sold another 116 stores, including our racks, to AM Retail Group, Inc.

27. Wilsons' sale of our property combined with its impending bankruptcy, leave us with no alternative for recovery in the event the Court does not grant us a preliminary injunction.

28. Our claims against Wilsons exceed all known counterclaims.

Executed on July 22, 2008.

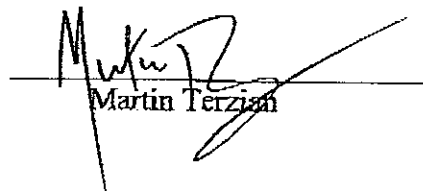

Martin Terzian

Exhibit A

From: Martin Terzian [mailto:MT@pacificgrp.com]

Sent: Wednesday, April 12, 2006 10:42 PM

To: Searles, Mike; Featherston, Megan; Kruse, Stacy; Orton, Jeff; Goff,

Betty; Field, Jillian

Cc: Elaine R. Sugimura; Glen R. Lagerstrom; tom@marcotel-leblanc.com;

richard@marcotel-leblanc.com; juliecrouch@sbcglobal.net; Lloyd Winston;

Terry Glynn; Anna Fox; Ron Herro; John Weeks; Kathy Brady

Subject: Thank you

Dear Mike,

I would like to thank you and your wonderful team for the very gracious reception and for making us feel a natural part of the Wilsons Family.

I have to say, Tuesday was one of the most memorable and special days of my 25 year career.

We are energized by this challenge and confident that with the level of commitment and determination everyone demonstrated, WE WILL SUCCEED.

This kind of "true" partnership is rare (particularly in our industry) and if it does happen, it is an awesome force that will deliver on its promise!

Thank you Mike for your leadership and thank you ALL for your trust and faith in us. We will not let you down.

Martin & Team

From: "Boucher, Adam" <Adam.Boucher@wilsonsleather.com>

To: "Featherston, Megan" <Megan.Featherston@wilsonsleather.com>, <richard@marcantel-leblanc.com>, "Searles, Mike" <Mike.Searles@wilsonsleather.com>

Date: Thu, 13 Apr 2006 08:02:44 -0400

Subject: Re: Making History

Richard, Tom, Julie, Elaine, Glen and Martin,

Thank you for a great job and exceeding expectations! Your hard work and creative minds rose to the challenge. I can share with you that you have help create a clear vision of what the future of Wilsons can be.

The executive committee members are in a buzz about the opportunities

Looking forward to a great partnership

Adam

Sent from my BlackBerry Wireless Handheld

From: Hutchison, Bill [mailto:Bill.Hutchison@wilsonsleather.com]

Sent: Tue 4/25/2006 10:03 PM

To: Martin Terzian

Cc: Elaine R. Sugimura; Glen R. Lagerstrom; Featherston, Megan

Subject: RE: Intro

Martin

Thank you for the note. I very much look forward to partnering with each of you on this long-term opportunity that will provide great success for all.

In regards to our meeting on Friday, I will certainly be prepared to further discuss sourcing options, recommendations and solutions while so we are able to effectively plan production. I done the necessary work with my resources, so I will be able to discuss.

My direct line is 763-391-4731

Cell is 763-443-1054

Best Regards

Bill

Bill Hutchison

Vice President, Sourcing and Wholesale

Wilson's Leather

7401 Boone Avenue North

Brooklyn Park, Mn 55428

bill.hutchison@wilsonsleather.com

From: Elaine R. Sugimura [mailto:elaines@pacificgrp.com]
Sent: Wednesday, April 26, 2006 9:17 AM
To: Hutchison, Bill
Cc: Glen R. Lagerstrom; Featherston, Megan; Martin Terzian
Subject: RE: Intro

Bill,

All of us at PCI, look forward to the long term partnership as well. Per our discussions with Megan, the deadlines for specific categories are looming. We will do all we can to support them and once you meet Kelly Ryan and team, we will be able to move forward in an aggressive manner. She will need to need to understand the resources available to her and from there, we will do all we can to support her needs on the manufacturing side.

Look forward to meeting you in the near future.

Best regards,

Elaine Sugimura

President

Pacific Connections, Inc

212-273-4105 direct dial

203-918-5878 mobile

From: "Hutchison, Bill" <Bill.Hutchison@wilsonsleather.com>

To: "Martin Terzian" <MT@pacificgrp.com>

Date: Wed, 26 Apr 2006 01:03:24 -0400

Subject: RE: Intro

Martin

Thank you for the note. I very much look forward to partnering with each of you on this long-term opportunity that will provide great success for all.

In regards to our meeting on Friday, I will certainly be prepared to further discuss sourcing options, recommendations and solutions while so we are able to effectively plan production. I done the necessary work with my resources, so I will be able to discuss.

My direct line is 763-391-4731

Cell is 763-443-1054

Best Regards

Bill

Bill Hutchison

Vice President, Sourcing and Wholesale

Wilsons Leather

7401 Boone Avenue North

Brooklyn Park, Mn 55428

bill.hutchison@wilsonsleather.com

From: Martin Terzian [mailto:MT@pacificgrp.com]

Sent: Friday, April 28, 2006 7:02 PM

To: Barras, Ben

Cc: Hutchison, Bill

Subject: Re: Thank You

Ben,

Pleasure was mine - it is always motivating to partner with people who share a vision and strategy. I think we have a tiger by the tail.

We will coordinate our meeting once you confirm Mike Tripp's itinerary.

Look forward to seeing you on Thursday.

Martin

From: "Hutchison, Bill" <Bill.Hutchison@wilsonsleather.com>

To: "Martin Terzian" <MT@pacificgrp.com>

Date: Sun, 30 Apr 2006 11:43:46 -0400

Subject: RE: Thank You

Martin

Hello. Yes, it was a great pleasure to meet this past week. The opportunities available for us, collectively, are great. I look forward to a very successful and rewarding partnership.

Best Regards

Bill

Bill Hutchison

Vice President, Sourcing and Wholesale

Wilsons Leather

7401 Boone Avenue North

Brooklyn Park, Mn 55428

bill.hutchison@wilsonsleather.com

From: Martin Terzian <MT@pacificgrp.com>

To: Hutchison, Bill <Bill.Hutchison@wilsonsleather.com>

CC: Featherston, Megan <Megan.Featherston@wilsonsleather.com>

Sent: Thu May 04 21:20:16 2006

Subject: RE: Shakira

Met today with Ben and Mike - terrific meeting - they are off and running with our team.

This just keeps getting better and better.

Thanks for your support,

Martin

From: Featherston, Megan <Megan.Featherston@wilsonsleather.com>

From: JULIE CROUCH [mailto:juliecrouch@sbcglobal.net]

Sent: Tuesday, June 27, 2006 10:36 PM

To: martin Terzian; Elaine R. Sugimura; Lagerstrom, Glen; Featherston,
Megan

Subject: Today!

Here's to a great day and a great team!

Julie

:)

From: "Featherston, Megan" <Megan.Featherston@wilsonsleather.com>

To: JULIE CROUCH <juliecrouch@sbcglobal.net>

CC: Tom Marcantel <tom@marcantel-leblanc.com>; Richard LaBlanc (E-mail) <richard@marcantel-leblanc.com>; Glen R. Lagerstrom <glenl@pacificgrp.com>; Elaine R. Sugimura <elaines@pacificgrp.com>; Martin Terzian <MT@pacificgrp.com>; Searles, Mike <Mike.Searles@wilsonsleather.com>; Boucher, Adam <Adam.Boucher@wilsonsleather.com>

Sent: Wed Jun 28 07:51:07 2006

Subject: RE: Today!

Today marks the first day of our brand journey.

Walking into the corporate office early this morning was both rewarding and entertaining. The buzz at the cocktail hour last night is still in full swing. The teams are busy training the district managers on the product, pricing and presentation strategies. The maintenance teams are painting some of the walls in the cafeteria orange and the associates are still gleefully chanting "Yes, We're Ready" when challenged.

None of this would have been possible without the true teamwork and devotion from the PCI and MCL teams. The impossible was made possible through you.

On behalf of the Wilsons Leather team and our share holders, THANK YOU!

Meg

From: "Featherston, Megan" <Megan.Featherston@wilsonsleather.com>
To: "JULIE CROUCH" <juliecrouch@sbcglobal.net>
Date: Wed, 28 Jun 2006 10:51:07 -0400
Subject: RE: Today!

Today marks the first day of our brand journey.

Walking into the corporate office early this morning was both rewarding and entertaining. The buzz at the cocktail hour last night is still in full swing. The teams are busy training the district managers on the product, pricing and presentation strategies. The maintenance teams are painting some of the walls in the cafeteria orange and the associates are still gleefully chanting "Yes, We're Ready" when challenged.

None of this would have been possible without the true teamwork and devotion from the PCI and MCL teams. The impossible was made possible through you.

On behalf of the Wilsons Leather team and our share holders, THANK YOU!

Meg

From: Martin Terzian <MT@pacificgrp.com>

To: Featherston, Megan <Megan.Featherston@wilsonsleather.com>; juliecrouch@sbcglobal.net <juliecrouch@sbcglobal.net>

CC: tom@marcanel-leblanc.com <tom@marcanel-leblanc.com>; richard@marcanel-leblanc.com <richard@marcanel-leblanc.com>; Lagerstrom, Glen <glenl@pacificgrp.com>; Elaine R. Sugimura <elaines@pacificgrp.com>; Searles, Mike <Mike.Searles@wilsonsleather.com>; Boucher, Adam <Adam.Boucher@wilsonsleather.com>

Sent: Thu Jun 29 22:50:16 2006

Subject: Re: Today!

Meg - it does not seem that it was just a mere 10 weeks ago that you and Adam were in NY kick starting this awesome challenge.

The overwhelming enthusiasm and energy with which the entire Wilsons family embraced the "branding of Wilsons" made all efforts worthwhile - the atmosphere and energy created at the brand launch was truly electrifying!

It has been a real privilege for us to partner with you and your team.

We are very aware this is the beginning of a long and winding road

In fact, the cruise ship analogy resonated with me (thank you Mike) perseverance, patience (13 miles worth) and commitment to stay the course is key to turning around a big business.

We ARE ready and Wilsons CAN count on us!

Martin

From: "Boucher, Adam" <Adam.Boucher@wilsonsleather.com>

To: "Martin Terzian" <mt@pacificgrp.com>

Date: Sun, 2 Jul 2006 12:28:43 -0400

Subject: Re: Today!

Hi Martin

Out of great partnerships come great things. Its all starting to come together. By the way Ashley says she loves her job. She is doing well in Dallas.

Take care

Adam

Sent from my BlackBerry Wireless Handheld

Exhibit B

From: Martin Terzian [mailto:MT@pacificgrp.com]
Sent: Monday, April 24, 2006 5:19 PM
To: Adam.Boucher@wilsonsleather.com
Cc: Frackelton@ReeveCo.com; Tom Marcantel; Richard LeBlanc
Subject: Intro to Reeve Store Equipment

Adam,

As we discussed, this will introduce Robert Frackelton, principal at Reeve. I explained the opportunity to Robert and the need for a "committed" partner - he is excited about this and enthusiastically committed his resources to partner with Wilsons to deliver the re-imaging campaign. Their domestic as well as Asia fabricating capability makes them an ideal partner. Robert understands the need for some quick turns in development.

Contact:

Robert Frackelton

Office: 800-927-3383 or 562-949-2535

Cell: 714-390-3027

Email: Frackelton@ReeveCo.com

Adam Boucher - Wilsons

Office: 763-391-4751

Cell: 763-742-0613

Email: Adam.Boucher@wilsonsleather.com

I have also copied Tom and Richard so they are in the loop - I explained to Robert the creative role Tom and Richard will play. I also explained that Fitch will do the store designs - Robert is familiar with Fitch as they have fabricated using Fitch drawings/designs in the past.

I am confident you will enjoy working together. Please let me know how I can help to move this along.

Martin

From: Robert Frackelton [mailto:robertfrackelton@reeveco.com]

Sent: Tuesday, April 25, 2006 12:42 PM

To: 'Martin Terzian'; Boucher, Adam

Cc: 'Tom Marcantel'; 'Richard LeBlanc'; 'Alex Mangano'

Subject: RE: Intro to Reeve Store Equipment

Mr. Boucher,

I am excited to hear that Wilson's Leather is in the process of re-imaging. It is always good to see a quality retailer further improve their look and feel. I have no doubt this will prove successful for your business.

I hope that Reeve Store Equipment Co. can assist in this effort. We are ready and willing to do what it takes to make your new fixture design come to life. We have the resources to turn your designs into engineered drawings, build prototypes, create an entire prototype store's worth of fixtures and fabricate the rollout of the new design into your chain. The first steps we typically take in our domestic plant and the rollout can be done either here or in our Asian facility, depending on the volume, timeline and budget.

In the recent past we have supplied Wilson's with our hardware for your "Holiday Stores" and this past Fall we created AutoCAD drawings for some fixtures which I believe are part of your new concept. Our Alex Mangano (Regional Sales Manager out of our Chicago office) has been dealing with your Paula Peters on this. A few weeks ago we bid on a new fixture package which I understand may be awarded as early as next week. I hope we will be considered.

We are here ready to make it happen.

Thanks!

Robert

Robert Reeve Frackelton

Vice President

Reeve Store Equipment Co.

9131 Bermudez Street

Pico Rivera, CA 90660

1-800-927-3383

562-949-2535 x202

CELL: 714-390-3027

FAX: 562-949-3862

EMAIL: RobertFrackelton@reeveco.com

WEBSITE: www.reeveco.com

From: "Boucher, Adam" <Adam.Boucher@wilsonsleather.com>

To: <RobertFrackelton@reeveco.com>

Date: Tue, 25 Apr 2006 20:13:17 -0400

Subject: RE: Intro to Reeve Store Equipment

Hi Robert

It was good to hear from you. Martin has spoken very high of you. We are working with Fitch in developing a new store design for the future and will be looking for a partner that will work with us in proto-typing new fixtures and move into production. Wendy Whiting is our Manager of Purchasing and will be working with Fitch and myself on this. I hope that Reeve Store Equipment is able to be a partner in this. We are always looking for partners who are ready to make it happen!!

Take care

Adam

VP Store Sales and Real Estate

Wilsons Leather

(763) 391-4751

Exhibit C

reeve

STORE EQUIPMENT CO.

We accept Mastercard and Visa

PLEASE REMIT TO → P.O. BOX 276-PICO RIVERA, CA 90680

Corporate Headquarters
9131 Bermudez St. • P.O. Box 276
Pico Rivera, CA 90680
(562) 949-2535 • (800) 927-3383
FAX (562) 949-3862

Northern California Branch
1033 Montague Ave.
San Leandro, CA 94577
(510) 483-4950 • (800) 421-4950
FAX (510) 483-9278

Invoice

CUSTOMER

Invoice No. **PR257004**Invoice Date **08/14/06**Page No. **1**

SOLD TO: PACIFIC CONNECTIONS, INC.

P.O. BOX 51458
ONTARIO, CA 91761

SHIP TO:

WILSON'S LEATHER
VARIOUS STORESTERMS: NET 30 - INTEREST
CHARGED ON OVERDUE ACCOUNTS

EDI

CUSTOMER ORDER NO. 162418		SHIPPING ORDER NO. VARIOUS	ORDER DATE	CUSTOMER CODE PAACN	REEVE SALES REP. ALEX MANGANO	TAX RE	DATE SHIPPED 08/14/06	SHIPPED VIA NLI	
LINE NO.	QUANTITY DUE	UNITS	PART NUMBER AND DESCRIPTION		SHOP ORDER NUMBER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	NET PRICE	EXTENDED NET
1	1	EA	SS 1/3 DEPOSIT OF \$122,807.52 TWRDS \$372,144.00 TOTAL DUE 8/31			0	1	122807.52	122807.52
<div style="text-align: center;"> <p><i>1655</i></p> <p><i>REE 2018</i></p> <p><i>213-2000-15900</i></p> </div>									
0.00		TAXABLE TOTAL				TOTAL NET	TAX	SHIPPING & HANDLING	OTHER
						NET	122807.52	0.00	0.00
						STOCK DISCOUNT	TOTAL NET	TAX	SHIPPING & HANDLING
						NET	122807.52	0.00	0.00
						INVOICE TOTAL	122807.52		

COMMENTS:

ATTN: LLOYD WINSTON

Interest charged on overdue accounts. Goods made to order are not returnable. A charge of 20% for handling will be made against credits for all merchandise returned. Returns for credit must be made within 30 days from date of shipment.

CUSTOMER COPY

InvoiceInvoice No. **PR257005**Invoice Date **08/14/06**Page No. **1****TERMS: NET 30 - INTEREST
CHARGED ON OVERDUE ACCOUNTS**

We accept Mastercard and Visa

<http://www.reevco.com>
E-mail: info@reevco.com**reeve**
STORE EQUIPMENT CO.PLEASE REMIT TO **P.O. BOX 276-PICO RIVERA, CA 90680**Corporate Headquarters
9131 Bermudez St. • P.O. Box 276
Pico Rivera, CA 90680
(562) 949-2535 • (800) 927-3383
FAX (562) 949-3862Northern California Branch
1033 Montague Ave.
San Leandro, CA 94577
(510) 483-4950 • (800) 421-4950
FAX (510) 483-9278**SOLD TO:** PACIFIC CONNECTIONS, INC.P.O. BOX 5145B
ONTARIO, CA 91761**SHIP TO:**WILSON'S LEATHER
VARIOUS STORES

EDI

CUSTOMER ORDER NO. 162418		SHIPPING ORDER NO. VARIOUS	ORDER DATE	CUSTOMER CODE PACON	REEVE SALES REP. ALEX MANGANO	TAX RS	DATE SHIPPED 08/14/06	SHIPPED VIA NLI			
LINE NO.	QUANTITY DUE	UNITS	PART NUMBER AND DESCRIPTION			SHOP ORDER NUMBER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	NET PRICE	EXTENDED NET	
1	1	EA	SS TWRDS \$372,144.00 TOTAL DUE 9/29				0	1	35619.49	35619.49	
<div style="text-align: center;"> 2188 9-REE2018 ENTERED SEP 20 2006 213-2000-15900 </div>											
<div style="text-align: right;"> TAXABLE TOTAL 0.00 </div>											
COMMENTS:						STOCK DISCOUNT	TOTAL NET	TAX	SHIPPING & HANDLING	OTHER	INVOICE TOTAL
						NET	35619.49	0.00	0.00	0.00	35619.49

N: LLOYD WINSTON

*Not on overdue accounts. Goods made to order are not returnable. A charge of 20% for handling will be made against credits for all merchandise returned. Ratetime for credit must be made within 30 days from date of shipment.

REEVE

STORE EQUIPMENT CO.

PLEASE REMIT TO → P.O. BOX 276-PICO RIVERA, CA 90660

Corporate Headquarters
9131 Bernudez St. • P.O. Box 276
Pico Rivera, CA 90660
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FAX (510) 483-9278

We accept Mastercard and Visa

<http://www.reeveco.com>
E-mail: info@reeveco.com

Invoice

CUSTOMER COPY

Invoice No. **PR257006**Invoice Date **08/14/06**Page No. **1**

SOLD TO: PACIFIC CONNECTIONS, INC.

P.O. BOX 51458

ONTARIO, CA 91761

SHIP TO:

WILSON'S LEATHER
VARIOUS STORES

TERMS: NET 30 - INTEREST
CHARGED ON OVERDUE ACCOUNTS

EDI

CUSTOMER ORDER NO. 162418		SHIPPING ORDER NO. VARIOUS	ORDER DATE	CUSTOMER CODE PACON	REEVE SALES REP. ALEX MANGANO	TAX RS	DATE SHIPPED 08/14/06	SHIPPED VIA NLI
LINE NO.	QUANTITY DUE	UNITS	PART NUMBER AND DESCRIPTION	SHOP ORDER NUMBER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	NET PRICE	EXTENDED NET
1	1	EA	SS TWRDS \$372,144.00 TOTAL DUE 10/31 PAYMENT OF \$35,619.49		0	1	35619.49	35619.49
<p><i>2643</i></p> <p><i>10-REE-3018</i></p> <p>ENTERED OCT 10 2006</p> <p><i>213-2000-15900</i></p>								
0.00		← TAXABLE TOTAL						
COMMENTS:				STOCK DISCOUNT	TOTAL NET	TAX	SHIPPING & HANDLING	OTHER
				NET	35619.49	0.00	0.00	0.00
								INVOICE TOTAL
								35619.49

LLOYD WINSTON

It is understood that the goods shown on this invoice are to be used for the purpose specified and that the customer agrees to indemnify and hold the seller harmless from all claims and damages of whatever nature and amount which may be asserted against the seller by any third party on account of the use of the goods shown on this invoice.

REEVE

STORE EQUIPMENT CO.

PLEASE REMIT TO → P.O. BOX 276-PICO RIVERA, CA 90680

Corporate Headquarters
9131 Bermudez St. • P.O. Box 276
Pico Rivera, CA 90680
(562) 949-2535 • (800) 927-3383
FAX (562) 949-3862

Northern California Branch
1033 Montague Ave.
San Leandro, CA 94577
(510) 483-4950 • (800) 421-4950
FAX (510) 483-9278

SOLD TO: PACIFIC CONNECTIONS, INC.
P.O. BOX 51458
ONTARIO, CA 91761

SHIP TO:

WILSON'S LEATHER
VARIOUS STORES

**TERMS: NET 30 - INTEREST
CHARGED ON OVERDUE ACCOUNTS**

Invoice

We accept Mastercard and Visa

<http://www.reeveco.com>
E-mail: info@reeveco.com

Invoice No. **PR257007**

Invoice Date **08/14/06**

Page No. **1**

EDI

CUSTOMER ORDER NO. 162418		SHIPPING ORDER NO. VARIOUS	ORDER DATE	CUSTOMER CODE PACON	REEVE SALES REP. ALEX MANGANO	TAX RS	DATE SHIPPED 08/14/06	SHIPPED VIA NLI		
LINE NO.	QUANTITY DUE	UNITS	PART NUMBER AND DESCRIPTION		SHOP ORDER NUMBER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	NET PRICE	EXTENDED NET	
1	1	EA	SS TWRDS \$372,144.00 TOTAL DUE 11/30			0	1	35619.49	35619.49	
<p><i>3522</i></p> <p><i>11-REE 2018</i></p> <p>ENTERED NOV 21 2006</p> <p><i>213-2000-17005</i></p> <p><i>4246 - C. Memo</i></p> <p><i>Part in Stock on 11-3-06</i></p>										
0.00		TAXABLE TOTAL								
COMMENTS: ATTN: LLOYD WINSTON					STOCK DISCOUNT	TOTAL NET	TAX	SHIPPING & HANDLING	OTHER	INVOICE TOTAL
					NET	35619.49	0.00	0.00	0.00	35619.49

Interest charged on overdue accounts. Goods made to order are not returnable. A charge of 20% for handling will be made against credits for all merchandise returned. Returns for credit must be made within 30 days from date of shipment.

CUSTOMER COPY

Invoice

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REEVE
STORE EQUIPMENT CO.

PLEASE REMIT TO → P.O. BOX 276-PICO RIVERA, CA 90660
Corporate Headquarters
131 Bermudez St. • P.O. Box 276
Pico Rivera, CA 90660
(62) 949-2535 • (800) 927-3383
AX (562) 949-3862

Invoice No. **PR257008**
Invoice Date **08/14/06**
Page No. **1**

WILSON'S LEATHER
VARIOUS STORES

OLD TO: PACIFIC CONNECTIONS, INC.
P.O. BOX 51458
ONTARIO, CA 91761

TERMS: NET 30 - INTEREST
CHARGED ON OVERDUE ACCOUNTS

EDI

CUSTOMER ORDER NO.		SHIPPING ORDER NO.	ORDER DATE	CUSTOMER CODE	REEVE SALES REP.	TAX	DATE SHIPPED	SHIPPED VIA	
62418		VARIOUS		PACON	ALEX MANGANO	RS	08/14/06	NLI	
LINE NO.	QUANTITY DUE	UNITS	PART NUMBER AND DESCRIPTION		SHOP ORDER NUMBER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	NET PRICE	EXTENDED NET
1	1	EA	SS TWRDS \$372,144.00 TOTAL DUE 12/29			0	1	35619.49	35619.49
<p style="text-align: center;">44448 12-REEVE2018 RECEIVED JAN 03 2007 213-2000-17005</p>									
0.00		← TAXABLE TOTAL							
NET		35619.49		TAX		0.00		OTHER	
STOCK DISCOUNT		TOTAL NET		SHIPPING & HANDLING		0.00		INVOICE TOTAL	
NET		35619.49		TAX		0.00		35619.49	

DUYD WINSTON

value accounts. Goods made to order are not returnable. A charge of 20% for handling will be made against credits for all merchandise returned. Returns for credit must be made within 30 days from date of shipment.

CUSTOMER COPY

Invoice

Invoice No. **PR257009**Invoice Date **08/14/06**Page No. **1**TERMS: NET 30 - INTEREST
CHARGED ON OVERDUE ACCOUNTS

EDI

CUSTOMER ORDER NO.		SHIPPING ORDER NO.	ORDER DATE	CUSTOMER CODE	REEVE SALES REP.	TAX	DATE SHIPPED	SHIPPED VIA		
162418		VARIOUS		PACON	ALEX MANGANO	RS	08/14/06	NLI		
LINE NO.	QUANTITY DUE	UNITS	PART NUMBER AND DESCRIPTION			SHOP ORDER NUMBER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	NET PRICE	EXTENDED NET
1	1	EA	SS TWRDS \$372,144.00 TOTAL DUE 1/31				0	1	35619.49	35619.49
<p style="text-align: center;">4492 1-REE2018 ENTERED JAN 05 2007 2/3-2000-17005 4579 Cr. Maria</p>										
<p style="text-align: center;">4583 12-REE2018 ENTERED JAN 06 2007 2/3-2000-17005</p>										
TAXABLE TOTAL		0.00								
COMMENTS:		<p>NET 35619.49 TAX 0.00 SHIPPING & HANDLING 0.00 OTHER 0.00 INVOICE TOTAL 35619.49</p>								
ATTN: LLOYD WINSTON										

Interest charged on overdue accounts. Goods made to order are not returnable. A charge of 20% for handling will be made against credits for all merchandise returned. Returns for credit must be made within 30 days from date of shipment.

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Corporate Headquarters
9131 Bermudez St. • P.O. Box 276
Pico Rivera, CA 90660
(562) 949-2535 • (800) 927-3383
FAX (562) 949-3862SOLD TO: PACIFIC CONNECTIONS, INC.
P.O. BOX 51458
ONTARIO, CA 91761SHIP TO: WILSON'S LEATHER
VARIOUS STORESNorthern California Branch
1033 Montague Ave.
San Leandro, CA 94577
(510) 483-4950 • (800) 421-4950
FAX (510) 483-9278

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FAX (562) 949-3862

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FAX (510) 483-9278

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Invoice No. **PR257010**
Invoice Date **08/14/06**
Page No. **1**

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SHIP TO: WILSON'S LEATHER
VARIOUS STORES

TERMS: NET 30 - INTEREST
CHARGED ON OVERDUE ACCOUNTS

EDI

CUSTOMER ORDER NO.		SHIPPING ORDER NO.	ORDER DATE	CUSTOMER CODE	REEVE SALES REP.	TAX	DATE SHIPPED	SHIPPED VIA	
162418		VARIOUS		PACON	ALEX MANGANO	RS	08/14/06	NLI	
LINE NO.	QUANTITY DUE	UNITS	PART NUMBER AND DESCRIPTION		SHOP ORDER NUMBER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	NET PRICE	EXTENDED NET
1	1	EA	SS TWRDS \$372,144.00 TOTAL DUE 2/B			0	1	35619.49	35619.49
<p><i>45-8</i></p> <p><i>12-REE2018</i></p> <p>ENTERED JAN 06 2007</p> <p><i>213-2000-17005</i></p>									
0.00		TAXABLE TOTAL							
0.00		STOCK DISCOUNT							
NET				35619.49		0.00		0.00	
0.00		TAX							
0.00		SHIPPING & HANDLING							
0.00		OTHER							
0.00		INVOICE TOTAL						35619.49	

COMMENTS:

ATTN: LLOYD WINSTON

Interest charged on overdue accounts. Goods made to order are not returnable. A charge of 20% for handling will be made against credits for all merchandise returned. Returns for credit must be made within 30 days from date of shipment.



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SOLD TO: PACIFIC CONNECTIONS, INC.
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SHIP TO:

WILSON'S LEATHER
VARIOUS STORES



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Invoice No. **PR257011**
Invoice Date **08/14/06**
Page No. **1**

TERMS: NET 30 - INTEREST
CHARGED ON OVERDUE ACCOUNTS

EDI

CUSTOMER ORDER NO.		SHIPPING ORDER NO.	ORDER DATE	CUSTOMER CODE	REEVE SALES REP.	TAX	DATE SHIPPED	SHIPPED VIA		
162418		VARIOUS		PACON	ALEX MANGANO	RS	08/14/06	NLI		
LINE NO.	QUANTITY DUE	UNITS	PART NUMBER AND DESCRIPTION			SHOP ORDER NUMBER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	NET PRICE	EXTENDED NET
1	1	EA	SS PAYMENT OF \$35,619.49 TWDRS \$372,144.00 TOTAL DUE 3/30 FINAL PAYMENT				0	1	35619.49	35619.49
<div>4585</div> <div>12-REE2018</div> <div>ENTERED JAN 06 2007</div> <div>313-2000-17005</div>										
0.00		← TAXABLE TOTAL								
COMMENTS:					STOCK DISCOUNT	TOTAL NET	TAX	SHIPPING & HANDLING	OTHER	INVOICE TOTAL
ATTN: LLOYD WINSTON					NET	35619.49	0.00	0.00	0.00	35619.49

Interest charged on overdue accounts. Goods made to order are not returnable. A minimum of 50% for handling will be made on all merchandise returned. Dates for credit must be made within 30 days from date of shipment.

Exhibit D

October 19, 2006

**Via Federal Express
Overnight Delivery**

Mr. Terry Glynn
Chief Financial Officer
Pacific Connections Inc.
3600 LaSalle Street
Ontario, CA 91761

Re: Wilsons Leather

Dear Mr. Glynn:

This letter is to document our understanding and agreement based on the meeting between Wilsons Leather and PCI on October 3, 2006, in our offices.

Wilsons Leather Holdings Inc. ("Wilsons Leather") agrees, subject to the terms of this agreement ("Letter Agreement"), to pay to Pacific Connections Inc. ("PCI") the sum of \$695,000 as payment in full of all commissions for services performed and to be performed, and for all product received to date and all product to be received through February 3, 2007. This amount will be paid in two equal installments of \$347,500, the first installment to be paid on or before October 31, 2006, and the second installment to be paid on or before December 31, 2006, both via wire transfer. PCI agrees that no other amounts will be payable for any designs, other services or product through February 3, 2007. In addition to the foregoing, however, Wilsons Leather will reimburse PCI for costs incurred to date in connection with leasehold improvements to the Design Center provided for Wilsons Leather's use in New York City. A budget reflecting all leasehold improvements to be made to the Design Center must be approved by Stacy Kruse, CFO and Treasurer of Wilsons Leather, prior to any expenditure and commencement of work. PCI shall invoice Wilsons Leather for any expenditures incurred with "due on receipt" terms.

PCI agrees that all right, title and interest in and to any design, image, invention, creation or product that PCI or any of its employees, agents and/or consultants (collectively, "PCI Staff") conceives or introduces into production, either individually or jointly with others, arising out of performance of orders placed by Wilsons Leather, will be the property of Wilsons Leather and are by this Letter Agreement, for the consideration set forth herein, assigned to Wilsons Leather along with ownership of any and all copyrights, trade dress, trademark, trade name, patents and any other proprietary interests in the design, work or product. Wherever applicable, works created by PCI Staff for Wilsons Leather, including all derivatives thereof, shall be considered "works made for hire" as defined in the U.S. Copyright Act. All know-how and trade secret information arising out of creation of such designs, works or product, and all related materials and information, shall be the property of Wilsons Leather. and all present and future proprietary rights including, without

Mr. Terry Glynn
Pacific Connections Inc.
October 19, 2006
Page 2

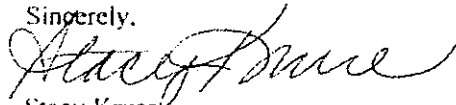
limitation, rights to copyright, trademark, trade name, trade dress, patents and any other proprietary rights therein are hereby assigned to Wilsons Leather.

PCI agrees that all designs, work and product produced for Wilsons Leather, and any derivatives thereof, belong exclusively to Wilsons Leather, and PCI and PCI Staff shall have no right to, and shall not, disclose, sell or use any such design, work or product in any way other than for purposes of services to Wilsons Leather. PCI shall maintain, and shall ensure that PCI Staff maintain, the confidentiality of all designs, work and products, and related materials and processes, produced and/or utilized for Wilsons Leather, including all information received from Wilsons Leather regarding trends, collections, merchandising plans, design specifications and all sketches, materials specifications, design drawings, design presentation materials, samples and any other information or material relating to any designs, work or product. PCI shall also exercise best efforts to obtain the written agreement of any manufacturer of any products designed by PCI or PCI Staff that such designs and products are owned exclusively by Wilsons Leather, and that no information or product shall be disclosed, sold or used in any way other than to fulfill orders placed by Wilsons Leather. PCI shall provide any such written agreements to Wilsons Leather.

PCI and Wilsons Leather agree to enter into good faith negotiation of a Design & Buying Contractor Agreement to be effective as of February 4, 2007, for an initial term of two (2) years, subject to such terms and conditions as the parties shall agree.

If the foregoing accurately sets forth your understanding of the terms agreed upon in our October 3rd meeting, please have the enclosed copy of this letter signed on behalf of PCI, evidencing its agreement to the foregoing, and return the signed copy to me. I appreciate your cooperation and that of your colleagues, and we at Wilsons Leather look forward to a mutually satisfying relationship with PCI.

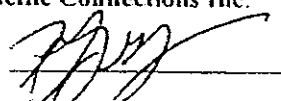
Sincerely,



Stacy Kruse
Chief Financial Officer and Treasurer

Acknowledged and Agreed:
Pacific Connections Inc.

By:


Title: CFO

Enclosure
c: Mike Searles
Megan Featherston

Exhibit E

From: "Searles, Mike" <Mike.Searles@wilsonslather.com>

To: "Elaine R. Sugimura" <elaines@pacificgrp.com>

Date: Mon, 25 Sep 2006 17:58:38 -0400

Subject: RE: Asia update

Hi Elaine,

Glad your trip is going well. I look forward to seeing you when you come to Minneapolis. Would be happy to meet with you and Glen on how we can do things better and hope that you are planning the same download for Bill as well. He is leaving tomorrow for India and will be back this Sunday.

Regarding the contract. I told Martin that we need to separate "this year" with all of it's ups and downs from what an agreeable ongoing contract would be. I told him the first thing we need to do is arrive at what would be doable and fair for at once compensation from Wilsons Leather to PCI. (Unrelated to a normal design & development fee arrangement.) I assumed Martin wanted Terry to do that but when you come I will have you sit with Stacy Kruse on that issue as well. It's important that she be the impartial intermediary with either you or Terry on what PCI has invested and what PCI's expectations are on an immediate basis and what Wilsons can (should) pay. All of that should be outside of what we think the normal fee for service percentage should be going forward. Tying this year and the future together under one contract is just not realistic and would be too cumbersome.

Hope all that makes sense.

Travel safe and will talk to you soon.

Mike

Exhibit F

From: "Martin Terzian" <mt@pacificgrp.com>

To: <Bill.Hutchison@wilsonsleather.com>

Date: Mon, 2 Jul 2007 12:26:22 -0400

Subject: Haven't heard from you?

Bill,

Left you messages on your cell as well as office.

1) Design fee:

Bill, we really must speak as the 2007 budget is much, much lower than had been committed to.

a. As you know, the advances we made were all predicated on the commitment to FOB volume otherwise it would not make sense for us to advance at the levels that we have.

Though we will receive our 5% fee on all FOB styles, shipments that Kelly touches, inspires or consults on through Spring 2008; the volume is much lower than our expenditure and level of support which makes no sense.

b. As you and Mike promised, we are still waiting for a way to account for or validate your FOB numbers.

c. As you and your accounting department are aware, our agreed to payment terms are that we would be paid by the end of the first week of the following month for the FOB shipments of the previous month. We still have not received the May payment. Please make sure this is paid immediately and note that on 7/6 the June payment is due.

2) Fixtures

We also have to discuss how to settle the outstanding issue of the the fixtures. We paid for fixtures that were designed and negotiated by Wilsons based on commitments that were made by Wilsons.

I am sure Wilsons does not expect to keep \$400,000 worth of assets for free?

From the very beginning we have had very good dialogue and partnership. I would like us to discuss these issues and come up with a strategy that works for Wilsons as well as for us..

When I spoke to Mike Searels, he instructed me to discuss these issues with you as you have authority to do so.

Bill, you had advised me you would call me by last Monday, however, I have not heard from you. Please contact me immediately in order for us to address these issues.

Look forward to hearing from you.

Martin

From: Terry Glynn [mailto:terryg@pacificgrp.com]

Sent: Monday, September 10, 2007 12:43 PM

To: Kruse, Stacy

Cc: Martin Terzian

Subject: Fixtures

Hello Stacy,

Hope all is well. The purpose of this email is to establish a set repayment schedule for the fixtures that were purchased by PCI for Wilson's benefit. I would like a repayment plan over the next 12 months if possible starting in September.

I would like to make clear that the written agreement that we did have did NOT include fixtures. The fixtures were designed and negotiated by Wilsons and your Chief Merchandising Officer agreed PCI would get additional business to support and recoup our investment – it was not a gift.

Please give me a call so that we can discuss further.

Thanks,

Terry Glynn

CFO

Pacific Connections, Inc.

(909) 974-4540

From: Terry Glynn [mailto:terryg@pacificgrp.com]

Sent: Monday, September 10, 2007 1:13 PM

To: Kruse, Stacy

Cc: Martin Terzian

Subject: RE: Fixtures

Stacy,

We discussed design services and we discussed the build-out of our NY showroom which is what the Letter Agreement memorializes. The extent of our discussion of the fixtures was when you asked me why Martin would buy them and the answer was that they would be additional business for PCI – if shoes were not displayed on the fixtures then Wilsons would put handbags on the fixtures purchased through PCI....

Terry

From: Terry Glynn [mailto:terryg@pacificgrp.com]

Sent: Monday, September 10, 2007 12:43 PM

To: Kruse, Stacy

Cc: Martin Terzian

Subject: Fixtures

Hello Stacy,

Hope all is well. The purpose of this email is to establish a set repayment schedule for the fixtures that were purchased by PCI for Wilson's benefit. I would like a repayment plan over the next 12 months if possible starting in September.

I would like to make clear that the written agreement that we did have did NOT include fixtures. The fixtures were designed and negotiated by Wilsons and your Chief Merchandising Officer agreed PCI would get additional business to support and recoup our investment – it was not a gift.

Please give me a call so that we can discuss further.

Thanks,

Terry Glynn

CFO

Pacific Connections, Inc.

(909) 974-4540

Exhibit G

From: Kruse, Stacy <Stacy.Kruse@wilsonsleather.com>

To: Terry Glynn

Cc: Martin Terzian

Sent: Mon Sep 10 13:26:27 2007

Subject: RE: Fixtures

We also talked about the payment of the fixtures and included it in the settlement. I was very clear that the settlement included the payment for the fixtures. I also told you that Wilsons would not reimburse PCI for the fixtures. I am dumbfounded that this is coming up again now.

From: Kruse, Stacy <Stacy.Kruse@wilsonsleather.com>

To: Terry Glynn

Cc: Martin Terzian

Sent: Mon Sep 10 13:26:27 2007

Subject: RE: Fixtures

We also talked about the payment of the fixtures and included it in the settlement. I was very clear that the settlement included the payment for the fixtures. I also told you that Wilsons would not reimburse PCI for the fixtures. I am dumbfounded that this is coming up again now.